

EXHIBIT 2

January 11, 2023

Mr. John J. Hession
Nicoletti, Hornig and Sweeney
Wall Street Plaza
88 Pine Street, 7th Floor
New York, NY 10005

Re: P.V. "Honcho"
Appraisal Report
Valuation as of June 17, 2022
Our Project No. WT-26728

Dear Mr. Hession:

Reference is made to the above-mentioned vessel and your request to provide an opinion on its fair market value for limitation action purposes. The valuation date requested is as of June 17, 2022.

The following report provides details of the company's background and experience with vessel valuations, details of the subject vessel, a description of the methodology used in arriving at the final appraised value, and supporting sources and documentation.

FIRM BACKGROUND:

Martin & Ottaway has conducted vessel valuations on all different types of craft ranging from recreational boats to ocean passenger liners since the firm's founding in 1875.

These appraisals have been for various concerns, including financing, investment, taxation, insurance, limitations of liability and general average purposes, etc.

Clients have been ship-owners, financial institutions, attorneys, governments, internal revenue services, and underwriters, to name a few. The firm has been accepted as a reliable source of vessel appraisals in U.S. Federal Courts and by the U.S. Government.

In order to be able to perform appraisals, Martin, Ottaway, van Hemmen & Dolan, Inc. maintains an appraisal database which contains practically every large ship sale in the world, and maintains up-to-date research files on ship repair and construction costs, charter rates, industry trends, regulatory requirements and their associated commercial effects and financing opportunities.

This appraisal data goes back to the late 1800's and has been used as a unique reference in complex ship finance and taxation issues.

**VESSEL PARTICULARS:**

The subject vessel is a 1985-built, 35-foot Henriques Maine Coaster, Express model, with the following details noted:

Name of Vessel:	Honcho	
Owners:	Ted Mattiace	
Type:	Passenger Vessel (Uninspected)	
Model:	Henriques Maine Coaster, Express	
Flag:	USA	
Official No.:	694318	
Call Sign:	WYS7582	
Gross Tonnage:	17	
Deadweight:	14	
Passenger Capacity:	6	
Length (overall):	10.8 meters	35.3 feet
Breadth (molded):	3.7 meters	12.0 feet
Depth (molded):	1.8 meters	6.0 feet
Engines:	(2) x Detroit Diesel 8.2L	
Power (total):	520 hp	
Builder:	Henriques Yachts in Bayville, New Jersey	
Date of Delivery:	1985	

Certification:

As of the valuation date requested, the subject vessel held the following certificates:

Certificate of Documentation, set to expire on December 8, 2022

VESSEL CONDITION:

On June 17, 2022, the subject vessel was allegedly involved in an incident that caused it to sustain damage. On June 28, 2022, our office conducted an inspection of the subject vessel. Reference made to our office's Preliminary Advice, dated June 29, 2022.

Based on our inspection, it was estimated that the cost to repair the damage would be in the region of \$20,000. However, the actual cost to repair the vessel has yet to be provided.

**APPRAISAL:**

Based on the sales/offerings appraisal approach, our opinion of the subject vessel's Fair Market Value is **\$45,000** immediately before the alleged incident on June 17, 2022.

Based on the sales/offerings appraisal approach, our opinion of the subject vessel's Fair Market Value is **\$25,000** immediately after the alleged incident on June 17, 2022.

APPRAISAL NARRATIVE:

Marine vessel appraisals may be carried out by one of three different appraisal methods; namely:

1. Comparable Sales/Offerings ("sales" approach)
2. Construction Cost Depreciated ("cost" approach)
3. Financial Analysis ("income" approach)

Generally, marine vessel appraisals are carried out using the comparable sales/offerings approach and/or construction cost depreciated approach. The financial analysis approach requires a large amount of financial information and is only used when sufficient historical data, such as income flows and related expenses, is provided to the appraiser, which were not provided in this case.

The cost approach can be used when construction cost data is provided, which was not the case here. Thus, the cost approach was not used and the sales approach was.

A review of the marine sale and purchase market indicated that there were several Henriques-built Maine Coasters on offer. The table below provides a summary of the comparable Henriques vessels on offer, on or about the valuation date requested:

Name	Length	Engine (hp)	Built	Price
N/A	35	600	1985	\$39,900
N/A	35	330	1984	\$33,000
Capt. Al	35	630	1992	\$65,000
West Islip	35	500	1988	\$65,000
Viking	35	840	1984	\$65,000

To determine the fair market value, the price of the comparable vessels was reduced by 10% associated with negotiations and then adjusted by their total horsepower. These figures were then averaged and then multiplied by the total power of the "Honcho" (520 hp).

As such, it is the opinion of the undersigned, that based on the average of the adjusted sales offerings and the sales approach, that the fair market value of the P.V. "Honcho" immediately before the alleged incident on June 17, 2022 is \$45,000.

Based on an estimated repair cost of \$20,000 and using the sales approach to determine the fair market value of the subject vessel, it is the opinion of the undersigned, that the fair market value of the P.V. "Honcho" immediately after the alleged incident on June 17, 2022 is \$25,000.

**SPECIFIC REFERENCE MATERIAL:**

1. Martin, Ottaway, van Hemmen & Dolan, Inc. vessel database
2. USCG Port State Information Exchange
3. BUC Guide
4. Various marine sale and purchase websites

LIMITING CONDITIONS:

1. This is an appraisal report which was done for financial purposes. Supporting documentation concerning the data developed and the value calculations is retained in the appraisal file.
2. Values are statements of opinion. No guarantee can be given that opinions of value will be sustained or that they will be realized in actual transactions.
3. The value given in this appraisal is for the stated valuation date only, and only for the stated intended use.
4. The vessel was appraised on the premise that it was free and clear of all encumbrances, mortgage debt, and special liens.
5. Value is considered to be in cash. Contracts or charters, if any, are not considered in reaching the value.
6. We are unaware of any significant potential environmental hazards associated with this equipment other than normal on board fuel and lubes.
7. The value noted above is based on the unit's current location.
8. It is presumed that the vessel is in full compliance with all applicable international, federal, state or local regulations unless otherwise stated in the report.
9. No responsibility is assumed for latent defects of any nature that could have an effect on the equipment's value. No determination of stability characteristics or inherent structural integrity has been made, and no opinion is expressed with respect thereto.
10. This report was prepared for the client of record, as noted, in order to provide an opinion of value under an assumed set of circumstances as requested and mutually agreed upon by that client. Any legal defense, court or deposition preparation related to it will be considered a new and separate assignment.
11. This report was made by Martin, Ottaway, van Hemmen & Dolan, Inc. and will be considered as confidential. Copies of this report will only be made available to other parties with prior written consent of the purchaser/owner of this report. Any confidential information received in preparation of this report will be kept confidential.



12. Information supplied by others that was considered and utilized in constructing this report is from sources believed to be reliable and no further responsibility is assumed for its accuracy.

DEFINITIONS:

The definitions used in Martin, Ottaway, van Hemmen & Dolan, Inc. appraisal reports are based on those written in the American Society of Appraisers text, *Valuing Machinery and Equipment (Second Edition)*.

Fair Market Value:

The estimated amount, expressed in terms of money, that may reasonably be expected for a property in exchange between a willing buyer and seller with equity to both, neither under any compulsion to buy or sell, and both fully aware of all relevant facts as of a specific date.

Cost Approach:

One of the three recognized approaches used in appraisal analysis. The appraiser starts with the current replacement cost new of the property being appraised and then deducts for the loss in value caused by physical deterioration, functional obsolescence, and economic obsolescence. The logic behind this approach is the principle of substitution; a prudent buyer will not pay more for a property than the cost of acquiring a substitute property of equivalent utility.

Depreciation (appraisal):

The actual loss in value or worth of a property from all causes, including those resulting from physical deterioration, functional obsolescence, and economic obsolescence.

Estimated Remaining Useful Life (RUL):

The period over which an item or groups of items are estimated to remain in use.

Income Approach:

One of the three recognized approaches used in appraisal analysis. The appraiser determines the present value of the future economic benefits of owning the property.

Indexing:

A method used to estimate current cost whereby a factor is applied to the historical cost of an item.

Remaining Useful Life:

The estimated period during which a property of a certain effective age is expected to actually be used before it is retired from service.

Sales Comparison Approach:

One of the three recognized approaches used in appraisal analysis. This approach involves the collection of market sales data pertaining to the subject assets being appraised. This approach is also known as the "market approach." The primary intent of the sales comparison approach is to determine the desirability of the assets through recent sales or offerings of similar assets currently on the market in order to arrive at an indication of the most probable selling price for the assets.



being appraised. The appraiser adjusts the prices that have been paid for assets comparable to the asset being appraised, equating the comparables to the subject.

Scrap Value:

The estimated amount, expressed in terms of money, that could be realized for the property if it were sold for its material content, not for a productive use, as of a specific date.

Useful Life:

The period over which property may reasonably be expected to perform the function for which it was designed.

APPRAISER'S CERTIFICATION:

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the vessel that is the subject of this report, and no personal interest with respect to the parties involved.
4. I have not performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. I have made an inspection of the property that is the subject of this report in Brooklyn, New York, on June 28, 2022.
10. No one provided significant personal property appraisal assistance to the person signing this certification.



I, David Tantrum, hereby certify that, to the best of my knowledge and belief, the statements of fact contained in this report are true and correct, and this report has been prepared using the guidelines of the Uniform Standards of Professional Appraisal Practice of The Appraisal Foundation and the Principles of Appraisal Practice and Code of Ethics of the American Society of Appraisers.

Signed, and submitted without prejudice to rights and/or interests of whom it may concern,

MARTIN, OTTAWAY, van HEMMEN & DOLAN, INC.



David Tantrum

DT/tc

